



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

## Response to Request for Information

Prepared for the House Select Committee on  
Driver's License Issuance & Renewal

October 15, 2020

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## Interim Charge 1

Examining opportunities to expedite the driver's license renewal processes, with a focus on long wait times, physician waivers for eye exams, redundant fingerprinting, and opportunities to complete the renewal online; Reviewing the feasibility of permanently transferring the licensing program from the Texas Department of Public Safety (DPS) over to the Department of Motor Vehicles (DMV).

### Summary

The Texas Department of Public Safety (DPS) contracted with The University of Texas at Austin Center for Transportation Research (CTR) in October of 2019 to conduct a feasibility study that examines and makes recommendations on the management and operating structure of the driver licensing program and the opportunities and challenges of transferring the driver licensing program to the Texas Department of Motor Vehicles (TxDMV), creating a standalone Driver License Department or keeping the current structure within DPS.

The TxDMV staff received a draft copy of the study to review and provide comment during the first week of July. TxDMV comments were submitted to the CTR study team for review via DPS on July 17, 2020. TxDMV staff and DPS staff met with the CTR study team to discuss questions and concerns from both agencies regarding the draft report. TxDMV and DPS were also able to discuss items that were omitted from the report, including items pertaining to:

- Overall fiscal impacts including the standard used for determining the support FTEs in the study, one-time separation costs, and facility needs.
- Customer service observations.
- Issues brought up in the Sunset Advisory Commission's recommendations.
- Methodology used to create the Likert chart/decision matrix.

The CTR study team made updates to the report related to feedback on the number of support FTEs but advised meeting attendees that the other areas of concern were out of scope for this project.

Below is information that was outside the scope of the study that TxDMV believes will be helpful to consider, including information that is based on TxDMV experience from separating from the Texas Department of Transportation (TxDOT).

### Overall Fiscal Impacts to the Agencies

A fiscal impact statement developed by TxDMV for the proposed transfer of the driver license program considered an approach that balanced cost and effective support derived from past experiences incurred with a new agency. The department identified areas proposed for transfer and developed needed staffing and operational resources to support the driver license program. The analysis included deliberations of types of resources required to implement and operate the program, service demands, and leveraging current resources to absorb added workloads.

The CTR report utilizes a ratio of 1 indirect full-time equivalent employee (FTE) to support 8 Program FTEs, to recommend a total of 363 FTEs to administer the division. TxDMV estimated that a total of 402 FTEs at an annual cost of \$54,445,151 will be needed for TxDMV to provide administrative support for the transferring program and FTEs. The estimated staff in the TxDMV analysis supports the financial, administrative, information technology and operational functions associated with the driver license FTEs. In addition, staff (included in the 402 FTEs) would be required for transitional efforts. These staff would continue every year thereafter to help with the transition and support services going forward.

For reference, TxDMV can accommodate approximately 300 staff in Building 6 at its Camp Hubbard headquarters in Austin. Additional flexibility could be realized on the campus as well. Based on an assessment completed by the Texas Facilities Commission, the age and physical condition of Building 5 on the Camp Hubbard campus (built in 1955) is such that a tear-down and rebuilding is a more cost-effective approach than repairing and renovating. If approved, funding in the FY 2022-2023 biennium would provide for planning and design services, exclusively. Planning will take into consideration opportunities for telecommuting and other aspects of the campus to accommodate needs. The department will also assess the potential use of existing structures on the Camp Hubbard campus, specifically Building 6, for feasibility of future use.

This scenario assumes the Texas Department of Transportation (TxDOT) moves its employees from Camp Hubbard to TxDOT's new centralized headquarters. These estimated costs only represent expenditures associated with the FTEs to provide administrative support of the driver license function currently located at DPS headquarters in Austin. At this time, TxDMV has not accounted for any other costs that may be reflected in DPS' fiscal impact statement for a potential transfer.

The scope of CTR's fiscal analysis work did not include an analysis which addresses the fiscal operational details associated with moving the current driver license division either to the TxDMV or to a new entity or details on the allocation of assets, treatment of facilities, and transfer of information technology systems associated with a transfer. Instead the study says it "would be meaningful and appropriately addressed and resolved by the affected parties under the guidance of an oversight structure described in Task Memo 9." While TxDMV understands the nature of this exclusion in the report, it is important to note that a detailed analysis on such transfers is essential and critical to the success of the driver license function wherever it ultimately resides.

For example, the TxDMV Legislative Appropriations Request (LAR) currently includes an exceptional item to establish two new Regional Service Center Substations in the Houston and Dallas areas to accommodate the increase in transactions in those regions. Should a transfer of the driver license function occur, TxDMV could reassess such facilities needs and consider locating these services in established DPS facilities.

Overall, throughout the study, recommendations related to improving service do not reference a need for funding to accomplish such a task. Regardless of where the program resides, the report does not consider a cost estimate for these improvements. However, it is beneficial to understand that technical upgrades will require funding.

## Customer Service Observations in Study

Review of the study and discussions with CTR confirmed the limited scope of their review and analysis done on the customer service aspects of each department. The scope was limited to the front-line employees and regional offices in both TxDMV and DPS. The CTR study team did not conduct an analysis of the call centers in each department or take in to account the other divisions of each department that service customers directly. This approach did not provide a full view of the overall customer service experience provided to the citizens of the state.

For example, TxDMV's Motor Carrier Division operates call and contact centers, with a recent customer service survey of customers indicating a 90% "above average satisfaction" rate with division personnel. It should be noted this division works with motor carrier customers and stakeholders only and does not have in-person contact with customers. The hold times throughout the call centers averaged 3:38 minutes.

Additionally, TxDMV's Consumer Relations Division, which services customers and stakeholders statewide, estimates 167 FTEs would be necessary to maintain current call and contact center metrics and customer satisfaction should they need to respond to driver license program inquiries as well. In FY20, TxDMV's customer contact center had an average hold time of 3:49 minutes and a 95% "above average satisfaction" rate.

## Issues Brought Up in Sunset Recommendations

As it relates to TxDMV, the Sunset Advisory Commission identified confusion among customers as to where services are provided. The department is contacted regularly by Texans, the media, legislative offices and other groups with inquiries related to the issuance of driver licenses and commercial driver licenses. Additionally, with TxDMV being very engaged with other states through the American Association of Motor Vehicle Administrators, TxDMV routinely refers other states along with these inquiries to the appropriate staff at DPS.

The Sunset staff report for DPS in 2019 states:

Having the driver license function housed in DPS is also confusing to the public who frequently expect the Texas Department of Motor Vehicles (TxDMV) to issue driver licenses as well as vehicle titles and registrations, like 42 other states do. In fact, the Legislature created TxDMV in 2009 to ensure its functions received more focus and attention than they received at TxDOT, and to improve customer service.

Additionally, TxDMV's motor carrier stakeholders often contact the department regarding the issuance or renewal of commercial driver licenses. The department works to ensure stakeholders understand the division of functions between the two agencies and directs inquiries regularly to DPS on these licensing functions.

## Methodology Used to Create Likert Chart / Decision Matrix

The CTR study team developed a five-point Likert scale to show current or forecasted performance of keeping the driver license function at DPS, moving it to TxDMV, or creating a new stand-alone agency based on interviews and surveys with stakeholders and subject matter experts. However, a more in-depth analysis of technology costs, staffing comparisons and long-term effects were outside the scope of the study. The CTR study team found that transferring the driver license program to the TxDMV was attractive from the standpoint of customer service and increased accountability in their five-point Likert scale.

The short-term organizational disruption of transferring the driver license program to TxDMV was noted in the Likert scale as very poor, however that score is based primarily on the short-term effects (see p. 31 CTR's final report), because the CTR study team found that "this disruption may be a trade-off the legislature is willing to make for longer-term program improvements."

Additionally, the culture/staffing average score for transferring the driver license program to TxDMV was based primarily on the salary differentials of the front-line staff of the program and TxDMV (see p. 31 CTR's final report). However, that score assumed that the job functions of TxDMV and driver license program front-line staff were the same for purposes of compensation. A comparison of the job functions of each position as it relates to their salary was out of scope for the CTR study team. This average culture/staffing score may increase once a review of the positions was complete if it was found that the positions job functions were not the same as it relates to the salary scale. There was not sufficient information for the CTR study team to perform this comparison within the scope of the study, so the lower score of average was assumed for TxDMV culture/staffing.

In the FY 2022-2023 biennium, TxDMV is proposing salary adjustments in its baseline budget request in two classifications that constitute almost 40% of TxDMV current employees – Customer Service Representatives and License & Permit Specialists. These classifications are critical due to the fact they are the primary TxDMV service provider for direct customer interaction. The two classifications represent the front-line of assisting customers in the Vehicles, Titles, & Registration (VTR) Division, the Motor Vehicle Division (MVD), the Motor Carrier Division (MCD), and the Customer Relations Division (CRD).

As noted in the State Auditor's Office (SAO) October 2020 Report titled "The State's Position Classification Plan for the 2022-2023 Biennium" (Report 21-701), TxDMV is an agency identified as having a turnover rate exceeding 17% for FY 2019. In addition, the report cited the Customer Service Representative I, V and License Permit Specialist I

classifications as benchmark classifications that are below market, based on SAO data. The report also recommends that agencies utilize existing pay ranges to improve employee pay.

TxDMV is committed to addressing these classifications in an effort to reduce turnover and provide knowledge expertise to its customers through expanded retention strategies such as continue providing paid leave to reward outstanding performance; develop career paths to allow for internal employee promotions and professional advancement; expand training and development; continue the use of alternative work schedules and telecommuting; continue to provide an Employee Assistance Program for both employees and immediate family members at no cost to employees; and continue to reward employees with one-time and/or recurring merit pay increases who exhibit exceptional performance.

## Conclusion

The department appreciates the opportunity to provide feedback on this interim charge and the potential transfer of the driver license program. TxDMV understands the complexities involved with this program and the challenges transferring it would entail. As a customer service-oriented agency, TxDMV stands ready to assist with the path forward identified by the Texas State Legislature as the best approach to ensuring the program works best for Texas and its citizens.